

VZCZCXRO6510
PP RUEHAST RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW
DE RUEHNEH #0138/01 3621536
ZNR UUUUU ZZH
P 281536Z DEC 09
FM AMCONSUL HYDERABAD
TO RUEHNEH/AMCONSUL HYDERABAD PRIORITY 0240
RUEHC/SECSTATE WASHDC PRIORITY 0232
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0027
RUEHRL/AMEMBASSY BERLIN PRIORITY 0026
RUEHLO/AMEMBASSY LONDON PRIORITY 0026
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0026
RUEHFR/AMEMBASSY PARIS PRIORITY 0026
RUEHVI/AMEMBASSY VIENNA PRIORITY 0010
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0026
RUEHGV/USMISSION GENEVA PRIORITY 0019
RUEKJCS/SECDEF WASHDC
RHEHAAA/NSC WASHINGTON DC
RHHMUNA/USPACOM HONOLULU HI
RHMFIUU/USCENTCOM CCJ5 - PERSONAL FOR MACDILL AFB FL
RUEIDN/DNI WASHINGTON DC
RUEAIIA/CIA WASHDC
RHMFISS/JOINT STAFF WASHINGTON DC

UNCLAS SECTION 01 OF 02 HYDERABAD 000138

SENSITIVE
SIPDIS

DEPARTMENT FOR SCA/INS

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [PTER](#) [PINR](#) [KDEM](#) [IN](#)
SUBJECT: TELANGANA - ALL CALM IN A STATE OF ANARCHY

REF: REFERENCES: A) NEW DELHI 2472, B) HYDERABAD 121, C) HYDERABAD 124, D) HYDERABAD 137
HYDERABAD 00000138 001.2 OF 002

11. (U) SUMMARY: Longtime Congress party stalwart and underperforming Governor of Andhra Pradesh (AP) Narayan Dutt Tiwari resigned following a sex scandal involving allegedly trafficked women. Two days later, Chhattisgarh Governor ELS Narasimhan, a former Intelligence Bureau (IB) Chief and fluent Telugu speaker, was sworn in as Governor of Andhra Pradesh. Media speculation about the timing of the revelations in the midst of the controversy over Telangana (ref A) has led some observers to question whether it will further delay decisive GoI action on the statehood issue. END SUMMARY.

A Governor Takes Flight

12. (U) On December 26, Narayan Dutt Tiwari, the Governor of AP, tendered his resignation to GoI President Pratibha Patil. The resignation, accepted immediately, came a day after the 24-hour Telugu language news channel ABN Andhra Jyothi aired an expose embroiling the Governor in a sex scandal. The report purported that Governor Tiwari and officials at Raj Bhavan were trafficking young women from Uttarakhand on the pretext of employment; these women were then forced to sate the sexual advances of the Governor. The channel broadcast a grainy video allegedly showing Governor Tiwari engaged in flagrante with three young women at his official residence. In a scene reminiscent of the recently cancelled march on the State Assembly in support of Telangana statehood (ref B), Women's groups immediately began to protest at the gate of the Raj Bhavan. Media reports indicate that the decision to demand that Governor Tiwari vacate his post came from New Delhi following a high-level United Progressive Alliance (UPA) meeting chaired by Congress party leader Sonia Gandhi and Prime Minister Manmohan Singh.

An Ace Reliever

13. (SBU) On December 27, the GoI asked current Chhattisgarh Governor ELS Narasimhan to accept the additional charge of Governor for Andhra Pradesh. A fluent Telugu speaker, Narasimhan reportedly attended a meeting with GoI Home Minister P. Chidambaram to discuss the issue of Telangana statehood a few days prior to the current controversy. As a former Intelligence Bureau (IB) Chief, analysts expect him to provide the Congress leadership with more accurate information and better insight into the current political turmoil in the state than the outgoing Tiwari. [COMMENT: In meetings with Congenoffs over the past two years, Governor Tiwari appeared at times to have a shaky grip on current affairs in the state. END COMMENT]. The Chief Justice of the AP High Court administered the oath of office on December 28. Governor Narasimhan emerged from the 1968 batch of the AP cadre of the Indian Police Service (IPS).

A Matter Of Perspective

14. (SBU) Rampant media speculation about the timing of the revelations ascribes either pro- or anti-statehood motives to ABN Andhra Jyothi, which was inaugurated on October 15, 2009. Some analysts cite this media expose as an attempt to delay the creation of a new state, pointing to the friendship between the channel's owner, Vemuri Radhakrishna, and N. Chandrababu Naidu, leader of the opposition Telugu Desam Party (TDP). Naidu, a former Chief Minister of Andhra Pradesh, has seemed reluctant to reaffirm his party's commitment to separate statehood. Other analysts point the presence of Andhra Jyothi Editor, K. Srinivas, at a pro-statehood event sponsored by the U.S.-based Telangana Development Forum and postulate that Narisimhan's ascension to governor cements the case for statehood. A journalist from a rival news organization claiming close ties to the reporters of ABN Andhra Jyothi dismissed the pro-and anti-statehood theories - the true motive of the expose was to

HYDERABAD 00000138 002.2 OF 002

capture as much market share as possible for the new station by putting out a sensational story. He added that this story has been in development for six months and the timing is just opportune.

Presidential Rule Imminent?

15. (SBU) On December 13, Union Law Minister and Andhra Pradesh All India Congress Committee chair M. Veerappa Moily ruled out the possibility that AP would be placed under President's Rule in the wake of statewide civil unrest and adjournment of the State Assembly following the resignations of over 40 percent of the Members of the Legislative Assembly (ref C). However, some pundits note that the timing of Governor Tiwari's resignation coincides with the statement by Pranab Mukherjee, GoI Finance Minister, that there will be "good news" on the question of statehood for Telangana in the near future as well as the call for more "bandhs" (ref D) by both the political party and the student group Joint Action Committees. No matter what the "good news" turns out to be, it is likely to be poorly received by the one or the other side. The Congress party would like to prolong the decision on statehood as long as possible and hedge their bets to prepare for any eventuality. Lalitha Iyer of "The Week" magazine told Congenoff, that "Tiwari couldn't handle the situation in the state, which will only get worse. Presidential Rule is the only way that the Congress leadership gets out of this unscathed and Tiwari was incapable of running the state."

Calm in the Eye of the Storm

16. (SBU) COMMENT: AP is in the midst of a serious political crisis: the legislature has adjourned until early February, the Chief Minister has seen his administration paralyzed by cabinet infighting, the Governor has been forced to resign under a cloud of ignominy, and a fiscal shortfall grows by the day. The state government is nearly at a standstill. Yet day-to-day life in the state is mostly undeterred by the regional transportation

stoppages, laws banning large public assemblies and other inconveniences created by repeated strikes. Students are most affected due to cancelled classes and postponed exams, since the street protests are centered on Osmania and other universities, where students are concerned about their access to the economic hub of Hyderabad. If the current cycle of protest and backroom negotiation doesn't intensify, then the national leadership of the Congress party may outlast both sides of this issue and resolve the crisis peacefully. But if the situation escalates and there are outbreaks of civil unrest, the appointment of the effective and efficient ELS Narasimhan might prove to be an asset for the state. END COMMENT.

LEONI